

One Hundred and Ninth **ANNUAL REPORT** 1941



YEAR ENDED DECEMBER 31, 1941



MOUNTAIN (4-8-2) TYPE LOCOMOTIVE

For Freight and Passenger Service

Total Weight Engine 415,200 lbs.

Total Weight Tender 399,600 lbs.

Tender Capacity 21 tons Coal — 23,000 gals. Water

Seven pairs Wheels on Tender

Steam Pressure 240 lbs.

Roller Bearings

Length 106 ft., 8 $\frac{3}{8}$ ins.

STRAWBOARDS

MRB
652.0973
B6572

DIRECTORS

PHILIP R. ALLEN, E. Walpole, Mass.	JAMES GARFIELD, Cambridge, Mass.
ROGER AMORY, Boston, Mass.	ALDUS C. HIGGINS, Worcester, Mass.
LOUIS M. ATHERTON, Swampscott, Mass.	ERNEST M. HOPKINS, Hanover, N. H.
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EDWARD S. FRENCH, Springfield, Vt.	J. DUNCAN UPHAM, Claremont, N. H.
WILLIAM D. WOOLSON, Springfield, Vt.	

OFFICERS

President and Chairman of Executive Committee	EDWARD S. FRENCH
Vice-President and Clerk of Corporation	ARTHUR B. NICHOLS
Vice-President — Finance and Accounting.	W. S. TROWBRIDGE
Vice-President — Operating	J. W. SMITH
Vice-President — Purchases and Stores	A. W. MUNSTER
Vice-President — Traffic	J. W. RIMMER
Treasurer	E. J. GALLAGHER
General Counsel	W. A. COLE
Chief Engineer	W. F. CUMMINGS

Transfer Agent in Boston for all classes of stock, Old Colony Trust Company, 45 Milk Street, Boston, Massachusetts.

Transfer Agent in New York for common stock, Guaranty Trust Company, 140 Broadway, New York City.



BOSTON AND MAINE RAILROAD

To the Stockholders of Boston and Maine Railroad:

On behalf of the Board of Directors there is submitted herewith a report for the year ended December 31, 1941.

INCOME ACCOUNT — CONDENSED

	1941	Increase or Decrease	Per Cent
Operating Revenues	\$59,203,411 33	\$11,605,619 15	24.38
Operating Expenses	40,297,472 30	6,039,480 49	17.63
Net Revenue from Operations	\$18,905,939 03	\$ 5,566,138 66	41.73
Railway Tax Accruals	5,038,030 72	1,376,976 69	37.61
Railway Operating Income	\$13,867,908 31	\$ 4,189,161 97	43.28
Equipment and Joint Facility Rents — Net Dr ...	3,375,310 71	631,806 08	23.03
Net Railway Operating Income	\$10,492,597 60	\$ 3,557,355 89	51.29
Other Income	1,322,005 47	161,784 01	13.94
Total Income	\$11,814,603 07	\$ 3,719,139 90	45.94
Deductions:			
Rental Payments	\$ 1,334,525 51	\$ 82,023 69	6.55
Interest on Debt — Fixed Interest	3,237,803 78	D 1,288,264 10	28.46
Other Deductions	100,833 71	D 7,961 36	7.32
Total Deductions	\$ 4,673,163 00	D \$ 1,214,201 77	20.62
Income After Fixed Charges (Available Net Income)	\$ 7,141,440 07	\$ 4,933,341 67	223.42

D indicates decrease

Income after Fixed Charges (Available Net Income) has been allocated in accordance with Mortgage Indentures to the following purposes:

Capital Fund	\$ 995,511 04
Sinking Fund for redemption of Series RR Bonds	679,102 00
Interest on Income Bonds Series A:	
Accrued for period, June 13, to Dec. 31, 1940 @ 4%	\$1,055,901 00
Accrued for period, Jan. 1, to Dec. 31, 1941 @ 4½%	2,089,246 50
Sinking Fund for redemption of Series A Bonds	3,145,147 50
Payment of mortgage bonds	482,870 00
Payment of mortgage bonds	612,936 51
Increase the Capital Fund	1,225,873 02
Total	\$7,141,440 07

Cumulative interest on the income mortgage bonds at 4% per annum for the period, June 13, to December 31, 1940, was accrued in the accounts for the year 1940. No part of this interest was paid as the earnings (\$533,485.36), which otherwise would have been used for that purpose, were applied to increase the Railroad's working capital as permitted under the provisions of the mortgage indenture.

CAPITAL STOCK

The number of shares of Capital Stock of all classes outstanding December 31, 1941, including fully-paid negotiable receipts for subscriptions to Prior Preference Stock, was 1,046,113 shares, of a par value of \$104,611,300.

CHANGES IN FUNDED DEBT

Funded Debt on December 31, 1941 amounted to \$125,306,500, a decrease of \$1,252,700 since December 31, 1940. Of the total Funded Debt, \$2,651,200 is owned by the Railroad, leaving a balance of \$122,655,300 outstanding in the hands of the public.

DECREASE IN FUNDED DEBT:

Reacquired and Cancelled:

Series RR 1st Mtge. 4% Bonds due 7/1/60.....	\$101,200 00	
Series AC 1st Mtge. 5% Bonds due 9/1/67.....	53,000 00	
Series A Income Mtge. 4½% Bonds due 7/1/70.....	6,000 00	\$ 160,200 00

Matured Funded Debt Paid Off:

Series T 1st Mtge. 5% Bonds paid 9/1/41.....	\$390,000 00	
Equipment Trusts:		
No. 4 — 4½% Trust Cert. paid 4/1/41.....	125,000 00	
No. 5 — 5% " " " 5/1/41.....	114,000 00	
No. 6 — 4% " " " 6/1/41 & 12/1/41.....	176,000 00	
No. 7 — 3½% " " " 12/1/41.....	300,000 00	1,105,000 00
<i>Total Decrease</i>		<u>\$1,265,200 00</u>

INCREASE IN FUNDED DEBT:

Series DD, II, JJ and AC Bonds reinstated because of defaulted assents to Plan of Exchange.....	12,500 00
<i>Net Decrease</i>	<u>\$1,252,700 00</u>

FREIGHT TRAFFIC

Freight revenue for the year amounted to \$44,718,600.86, an increase of 29.5% over 1940.

This increase is largely attributable to the national defense effort which accelerated throughout the year and reached its 1941 peak with our country's entry into the war in December. The largest increases were in anthracite and bituminous coal, textiles, steel, construction material, foodstuffs, and of gradually increasing importance, guns, gun mounts and other armaments. Heavy defense construction provided a movement of several thousand carloads of materials to such Government projects as Westover Field Air Base, Chicopee, Mass., the new air bases at Manchester, N. H., and Bangor, Me., and to the Navy Yards at Boston, Mass., and Portsmouth, N. H. Increased activity at the Watertown Arsenal has produced a very heavy tonnage which will increase for some time to come. The shipyard at Bath, Me., as well as the two recently constructed shipyards at South Portland, Me., have been large receivers of materials to be used in ship construction. The lend-lease program has increased export movements to Britain and Russia. We have been getting a share of this traffic through the Ports of Boston, Mass., and Portland, Me.

The transfer of many vessels from coastwise and intercoastal trade resulted in heavier than usual all-rail movements of fruits, woodpulp, cotton and paper from the South and all-rail movements of lumber, woodpulp, imported wool and canned goods from the Pacific Coast. The discontinuance of importations of Scandinavian woodpulp resulted in increased production and shipping from pulp mills on our line, with consequent increases in the movements of pulpwood to the mills.

A pipe line has been constructed from Portland, Maine, to Montreal, Quebec, to handle crude petroleum which formerly moved by water.

The requirements of national defense which account for these increases in our tonnage have, through the operation of the priorities system, threatened many of our consumer goods industries with closing for the duration of the war unless their manufacturing processes can be converted to the production of defense materials. We have already begun to feel some traffic losses on this account, particularly in automobiles, rubber goods, building materials, household materials such as furniture, refrigerators, and other goods not directly connected with national defense.

Early in December a petition was filed with the Interstate Commerce Commission on behalf of all Class I railroads, seeking an increase of 10% in freight rates on all commodities with the exception of coal, coke and iron ore, on which an increase of 6¢ per gross ton is sought. This action was made necessary by the increased cost of operation, the major factors in which were the recently awarded wage increases and the increased cost of materials.

There appears to be a definite increase in the use of hard fuel in New England as our anthracite coal tonnage for the third successive year showed an improvement and our tonnage of that commodity handled in 1941 was heavier than in any year since 1930.

During the year 1941 we handled 4,482,109 bushels of grain through our elevators at Boston as compared with 2,407,181 bushels in 1940.

PASSENGER TRAFFIC

Passenger revenue increased 16.3% (\$1,153,193.09) over 1940. This percentage of increase is slightly greater than the average increase for railroads in the eastern district.

Preliminary indications are that passengers moving on U. S. Government transportation requests are responsible for approximately 25% of this increase. In addition to such movements, civilian defense activity together with military and navy personnel traveling on furloughs contributed considerably to the increase.

International travel between the United States and Canada showed a brisk recovery from the 1940 lows. More active business and increased employment made it possible for us to show a small increase in commutation travel, especially marked after July. There was a notable increase in revenue received from race train operations to Rockingham Park. Revenues exceeded all records since the track was opened in 1933. Sunday and holiday excursion patronage also showed large increases. These are a reflection of increased spending by the population served by the railroad together with an increasing acceptance of services which we believe have been soundly established and effectively advertised. In its second year of operation "The East Wind" which operated as a summertime day coach train between Washington-New York-Portland-Bangor showed a substantial increase over 1940 which was the first year of operation. The earnings of this train demonstrates the wisdom of our conclusion to join in the establishment of this modern and speedy summer service between the Middle Atlantic area and the recreational territory served by the railroad.

The 1940 purchase and company operation of three parlor cars proved good

judgment and resulted in the substitution of company ownership and operation of two additional parlor-lounge-buffet cars acquired from the Pullman Company. All local parlor car operations on the Boston and Maine are now under the direction of the railroad.

Curtailment in sale of tires for motor vehicles will present many service and policy problems during the coming year. It is the intention of your management to conduct its passenger operation to the end that first consideration will be given to transportation necessary to defense activity together with a continually watchful attitude towards maximum utilization of available equipment. The establishment of several important defense centers on the Boston and Maine makes it imperative that we devote our first attention to providing efficient and economical transportation to and from these points.

A petition was filed with the Interstate Commerce Commission for an increase of 10% in all passenger fares. Hearings were held in January and a decision granting the request was handed down on January 21, 1942. Under conditions of increased train operating cost due to wage and material price increase, it is felt necessary to pass along these increased costs to the user of our services in order to maintain a solvent passenger service. The present situation involving a greatly enlarged passenger traffic market would seem to be favorable to our realizing a return from increased passenger fares.

ROLLING STOCK

Through the past several years many units of steam locomotives, freight train cars and passenger train cars have been scrapped, having outlived their usefulness.

In 1941 five mountain type 4-8-2 new locomotives were acquired (photograph and description on cover of this report); also seven new Diesel switching units. Of the latter, two were 1,000 horsepower, two 600 horsepower and three were 380 horsepower.

During the year we received 100 hopper bottom cars and 9 gondola cars were delivered on our order for 500. We also built at our own shop 8 well-cars and 4 depressed center flatcars for the transportation of freight which can not be loaded in ordinary cars. Our December 31st ownership was 6,166 freight train cars of all types.

We acquired from the Pullman Company and placed in operation one parlor car and two lounge-dining cars.

On December 31st we owned a total of 1,126 passenger train cars and 15 rail motor car units.

BRANCH LINE RETIREMENTS

In continuance of the company's policy of giving up operation of unprofitable branch lines when such discontinuance involved little or no inconvenience to customers, authority was granted by the Interstate Commerce Commission to retire the following branches and the tracks were taken up or sold during the year:

Conway Branch — Jewett, Maine to Somersworth, N. H. — 5.24 miles.

Old Worcester, Nashua & Rochester main line — Hollis to Nashua, N. H. — 3.63 miles.

Newburyport Branch — Topsfield to Newburyport, Mass. — 15.41 miles.
Georgetown Branch — Georgetown to Paper Mill, Mass. — 4.60 miles.
Dover Branch — Dover Point to Sawyer's, N. H. — 3.34 miles.
Groveton Branch — Whitefield Jct. to Lancaster, N. H. — 10.47 miles.
Franklin & Tilton Branch — Franklin Jct. to Franklin Falls, N. H. — 1.13 miles.
Milford Branch — Squannacook Jct. to Pepperell, Mass. — 6.35 miles.
Central Massachusetts Branch — Creamery to Ware, Mass. — 9.32 miles.
Central Massachusetts Branch — Canal Jct. to Norwottuck, Mass. — 7.92 miles.

ADDITIONS AND BETTERMENTS

New trackage was installed to serve United States Army air bases at Chicopee, Mass., and Manchester, N. H.

3.63 miles of Fitchburg Division main line between Baldwinville and Royalston, Mass., in the towns of Templeton, Winchendon, Phillipston and Royalston, Mass., was relocated by the United States Government in connection with the construction of Birch Hill Dam, a flood control project. The new line, 3.40 miles in length, was opened to service on July 22, 1941.

Two grade crossings were eliminated by construction of overhead bridges and three additional crossings by closing the highways through agreements with municipalities. Sixty-three additional crossings were eliminated during the year through the abandonment and retirement of branch tracks.

57 single track miles of new 112-pound rail were laid on the New Hampshire and Fitchburg Divisions main lines.

13 single track miles of stone ballast were installed on the New Hampshire Division and 10 single track miles of gravel ballast on the Connecticut River line of the Fitchburg Division.

Approximately 3,700 additional oil-burning switch heaters were installed for melting snow. These together with other snow removing equipment have been installed in the effort to overcome a possible shortage of labor for snow handling purposes.

The installation of new or improved automatic highway crossing protection was continued and modern automatic flashers were installed at six additional crossings — two automatic flashers were installed to replace bells; one new flasher and gate was put in; an automatic gate was added to existing flasher at one crossing; one automatic flasher replaced an old style signal; two manually operated traffic signals replaced old style signals; and additional flashing lights, additional bells and gatemen's warning bells were installed. The program of installing approach-lighted interlocking signals in place of permanent lighted signals was continued. The added use of Diesel switching engines has made it necessary to install fuel tanks at several points on the line and new facilities for repairing Diesel units were provided at Boston.

At the North Station in Boston the program of replacing concrete and wood passenger platforms with continuous bituminous surface platforms several inches higher than the old platforms was completed. In many cases the platforms were lengthened to take care of the longer and heavier trains now being handled.

TAXES

In 1941, the Boston and Maine Railroad was assessed the largest tax bill in its history, \$5,063,028. 1940 Taxes were \$3,684,931. Federal Income and Capital Stock taxes accounted for \$1,068,237 of the increase.

Taxes paid under the requirements of the Federal Railroad Retirement Act were \$814,063 in 1941 as compared with \$702,430 in 1940. During 1941, 267 additional annuities were granted by the Railroad Retirement Board to Boston and Maine Railroad employees.

Unemployment Insurance (Social Security Act) taxes in 1941 were \$814,002 compared with similar taxes in 1940 of \$703,464.

MATERIALS AND SUPPLIES

Because of the economic conditions, and as insurance against interruption at the mines and transportation, it was considered advisable to increase our stock of coal for use on locomotives from 45,100 tons on hand December 31, 1940 to 132,360 tons on December 31, 1941. This represents an added investment in coal of \$439,000. The consumption in December 1941 was 91,924 tons.

Delayed and indefinite deliveries of material for maintenance and operation of facilities and equipment, brought about by the abnormal demand for materials for defense, made it necessary to increase our investment of material and supplies, other than coal, \$659,756.

Because of increased business activity, the material and supplies used in 1941 were \$2,626,000 or 35% greater than during the corresponding period in 1940.

OPERATING RESULTS

The substantial increase in volume of freight traffic that was progressive throughout the year, together with favorable weather conditions combined to set up a new record in freight train efficiency. The greatest average freight train load in the history of the railroad was transported at an average train speed commensurate with economy as well as safety that produced a new high in train hour production of 30,076 Gross Ton Miles per Train Hour, an increase of 7.4% over the previous best figure in 1940 of 27,996. The effort to build up this item of efficiency was begun in the year 1923 and the performance for that year amounted to 10,581. The performance passed the 20,000 mark for the first time in 1929 when it reached 21,015 and passed the 30,000 mark for the first time in 1941, when the record referred to above was made.

Another record was established in the conservation of fuel during the year. The previous best record established in 1940 at 98 pounds of coal per 1000 G.T.M. produced in freight service, was lowered in 1941 to 94 pounds, or a decrease of 4.1%. This reduction has a special significance when it is pointed out that the average cost per ton for coal was nearly 10% higher in 1941.

All railroads were urged early in the year to increase the utilization of all classes of equipment to avoid possible shortage of locomotives and cars to handle the expected burden to be placed upon the carriers. Our contribution in this respect is shown by an increase in average miles per serviceable freight loco-

motive per day that increased from 96.1 in 1940 to 106.0 in 1941 or 10.3%. In passenger service the corresponding performance was increased from 124.7 in 1940 to 127.9 in 1941 or 2.6%. Likewise the net ton miles per freight car day increased from 560 in 1940 to 659 in 1941, a gain of 17.7%. The three factors that make up this item were all better during the year, namely the speed of the car, the average load in each car, and the higher proportion of loaded cars in the trains operated.

Special efforts were made throughout the year to keep all equipment in serviceable condition to meet the demand of the heavier traffic. Especially striking is the bad order freight car situation that reached the low figure of 2.5% of bad order to total freight cars on the line, or just about one-half the proportion for the year 1940.

WAGE INCREASES

On June 10, 1941 the railroads of the country received requests from their labor organizations for substantial increases in rates of pay, to become effective on July 10. We authorized a committee representing the railroads to negotiate with representatives of the employees for a settlement to be applicable to all principal railroads on a national basis.

Conferences were held, beginning July 24th, and on August 5th no adjustment having been reached, the several employee groups took strike ballots, returnable September 5th.

On August 11th the National Mediation Board took jurisdiction of the case, and during mediation the committee representing the managements of the railroads offered the employees an increase in pay effective September 1, 1941, the increase being based on a plan that took into consideration the earnings of the railroads and the cost of living, using July 15, 1937 as the basis for such calculations.

The Mediation Board, being unable to bring about any settlement, asked both labor and management to arbitrate. Committees representing management agreed to arbitrate and employee representatives refused. The Train and Engine service brotherhoods notified the National Mediation Board that they would strike, effective September 15th, and all other employees set their date to strike for September 11th.

The Mediation Board then notified the President of the United States that railroad employees had set a date to strike, thereby threatening interruption of service, and the President appointed a Fact Finding Board consisting of five members to hear the case and make a recommendation to him as to their findings. Hearings before the Fact Finding Board started September 16th and were concluded on October 22nd, during which time witnesses were heard, exhibits introduced and arguments made by all parties to the dispute.

On November 5th the Board made their report to the President of the United States recommending that effective September 1, 1941 wages of train and engine service employees be increased 7½%, and all other employees 9¢ per hour, these increases to terminate December 31, 1942. The committee representing management on November 7th notified the President of the United States they would accept the recommendations of the Fact Finding Board. Represent-

atives of the employees of the train and engine service rejected the Fact Finding Board's report and notified the railroads that they would strike December 7th. Representatives of the balance of the employees refused to accept the report but set no date for strike.

Several conferences were held with no results, and on November 25th the President requested members of the Fact Finding Board to re-open the case to hear further evidence and make report to him as to their findings.

Hearings were held on November 28th and 29th, at the conclusion of which the Fact Finding Board, having had no new evidence submitted to change their original report, offered to act as mediators, and if through such mediation proceedings no agreement was reached, they would state what, in their opinion, should be done, with the understanding that both sides would abide by it. Both sides agreed to accept their offer, but they were unable to bring about a mutual agreement, and as a result on December 1st they advised the representatives of the employees and management that the dispute should be settled on the basis that from September 1st to December 1st, employees in the train and engine service should receive a $7\frac{1}{2}\%$ increase, and thereafter $9\frac{1}{2}\text{¢}$ an hour; all other employees 9¢ an hour September 1st to December 1st, and 10¢ an hour thereafter. All parties to the dispute advised the Board that they would accept their decision.

Another matter that was in dispute between employees and management was request for vacation with pay for all employees, other than those engaged in train and engine service. The Fact Finding Board also handled this dispute but their recommendation was rejected by representatives of the employees and the question was included in the strike ballot.

As in the wage case, the Fact Finding Board acted as mediators, and finally, as mediators, issued an order which had to be accepted by both parties. This provided for vacation to all employees other than those engaged in engine and train service of 6 days with pay, providing they had worked 160 days in the previous year, and in addition thereto employees represented by certain of the Brotherhoods who had been in the service two years would receive 9 days' vacation with pay, and those with three years or more service would receive 12 days' vacation with pay.

It is estimated that these increases will result in an additional annual cost to this railroad, based on present employment, of \$3,600,000.

LONG-SERVICE PASSES

On January 1, 1931 the company adopted a practice of issuing to every employee with 50 years or more of service with the railroad a card pass, good on the entire system, personally signed by the President, and good during the lifetime of the recipient.

228 such passes were issued on January 1, 1931. On January 1, 1941 a total of 709 employees had received this recognition of their long service with the Boston and Maine Railroad.

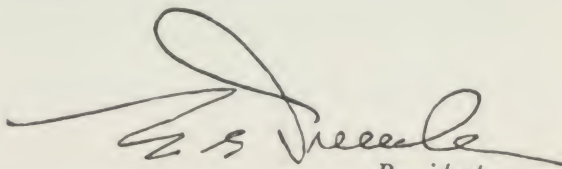
In 1941, 17 more employees were given this award.

There are 86 of these employees now in service.

During the year a plan became effective under which supervisory officers upon reaching retirement age, and heirs of such officers, may in the discretion of the Advisory Board established under said plan become entitled to receive benefits in amounts to be determined by said Board. The Company may but is not obligated to make any payments to said plan in addition to the \$250,000 paid in 1941.

The Directors are happy to record their appreciation of the continued loyalty and efficiency of officers and employees and to express their thanks for the coöperation and good will of the users of our services.

By order of the Board of Directors



E. S. Steele
President

February 24, 1942

CONDENSED GENERAL BALANCE SHEET — Assets

ROAD AND EQUIPMENT	Dec. 31, 1941	Dec. 31, 1940
Investment in Road	\$178,383,451 47	\$180,375,844 78
Investment in Equipment	49,516,028 99	48,780,002 44
<i>Total</i>	<i>\$227,899,480 46</i>	<i>\$229,155,847 22</i>
Improvements on Leased Property	17,045,755 91	16,969,558 34
Sinking Fund	314,800 00	—
Deposits in Lieu of Mortgaged Property Sold	976,448 69	741,589 61
Miscellaneous Physical Property	1,955,745 08	2,487,267 20
Investments in Affiliated Companies	6,159,018 86	5,185,303 97
Other Investments	1,740,649 76	2,099,246 03
<i>Total Investments</i>	<i>\$256,091,898 76</i>	<i>\$256,638,812 37</i>
CURRENT ASSETS		
Cash	\$ 5,656,343 33	\$ 3,517,270 16
Cash in Transit — Agents' Remittances	593,409 05	383,214 22
Time Drafts and Deposits	33,000 00	33,000 00
Special Deposits	490,074 49	781,577 42
Loans and Bills Receivable	608 00	208 00
Net Balance Receivable from Agents and Conductors	1,387,639 29	955,370 48
Miscellaneous Accounts Receivable	2,830,201 63	1,829,858 28
Material and Supplies	4,299,774 97	3,201,019 15
Interest and Dividends Receivable	111,119 22	95,913 26
Rents Receivable	113,000 00	113,000 00
Other Current Assets	36,591 71	29,176 48
<i>Total Current Assets</i>	<i>\$ 15,551,761 69</i>	<i>\$ 10,939,607 45</i>
DEFERRED ASSETS		
Working Fund Advances	\$ 10,507 61	\$ 10,372 61
Insurance and Other Funds	420,810 93	255,534 64
Other Deferred Assets	1,950,116 52	1,939,497 37
<i>Total Deferred Assets</i>	<i>\$ 2,381,435 06</i>	<i>\$ 2,205,404 62</i>
UNADJUSTED DEBITS		
Insurance Premiums Paid in Advance	\$ 74,319 66	\$ 91,035 01
Discount on Funded Debt	786,816 76	832,642 42
Other Unadjusted Debits	964,210 06	1,247,490 79
Securities Issued or Assumed — Unpledged	1,740,400 00	552,500 00
<i>Total Unadjusted Debits</i>	<i>\$ 3,565,746 48</i>	<i>\$ 2,723,668 22</i>
<i>Grand Total</i>	<i>\$277,590,841 99</i>	<i>\$272,507,492 66</i>

CONDENSED GENERAL BALANCE SHEET — Liabilities

	Dec. 31, 1941	Dec. 31, 1940
CAPITAL STOCK		
Common Stock — 395,051 Shares	\$ 39,505,100 00	\$ 39,505,100 00
Preferred Stock — 31,498 Shares	3,149,800 00	3,149,800 00
First Preferred Stock — 388,179 Shares	38,817,900 00	38,817,900 00
Prior Preference Stock (Includes Negotiable Receipts)	23,138,500 00	23,138,500 00
<i>Total Capital Stock</i>	\$104,611,300 00	\$104,611,300 00
Stock Liability for Conversion	1,500 00	1,500 00
Premiums on Capital Stock	4,227,040 14	4,227,040 14
<i>Total Capital Stock and Premiums</i>	\$108,839,840 14	\$108,839,840 14
Grants in Aid of Construction	\$ 67,275 09	\$ 17,252 22
LONG TERM DEBT		
Funded Debt Unmatured	\$125,306,500 00	\$126,559,200 00
CURRENT LIABILITIES		
Traffic and Car Service Balances — Net Payable	\$ 2,751,470 38	\$ 2,281,146 50
Audited Accounts and Wages Payable	2,835,254 37	5,171,262 23
Miscellaneous Accounts Payable	314,378 55	393,408 99
Interest Matured Unpaid	1,403,158 23	1,543,101 77
Dividends Matured Unpaid	12,858 81	12,880 81
Unmatured Interest Accrued *	3,247,259 96	104,765 69
Unmatured Rents Accrued	256,598 91	249,421 63
Accrued Tax Liability	2,203,793 16	874,367 48
Other Current Liabilities	23,726 00	14,509 48
<i>Total Current Liabilities</i>	\$ 13,048,498 37	\$ 10,644,864 58
DEFERRED LIABILITIES		
Due to Leased Roads at Expiration of Leases	\$ 209,988 70	\$ 209,988 70
Contingent Interest Accrued †	—	1,055,901 00
Miscellaneous Equipment Obligations	3,138,540 78	2,557,957 85
New York State E.G.C. Projects	343,795 35	340,235 09
Other Deferred Liabilities	25,797 97	35,784 24
<i>Total Deferred Liabilities</i>	\$ 3,718,122 80	\$ 4,199,866 88
UNADJUSTED CREDITS		
Insurance and Casualty Reserves	\$ 50,000 00	\$ 737,819 86
Accrued Depreciation — Road	161,349 85	156,860 89
Accrued Depreciation — Equipment	19,147,838 60	18,556,929 55
Accrued Depreciation — Miscellaneous Physical Property	665,971 41	670,675 13
Other Unadjusted Credits	1,916,953 12	1,352,274 23
<i>Total Unadjusted Credits</i>	\$ 21,942,112 98	\$ 21,474,559 66
CORPORATE SURPLUS		
Additions to Property through Income since June 30, 1907	\$ 3,499,122 19	\$ 3,377,323 77
Funded Debt Retired through Income and Surplus	4,712,000 00	4,527,102 00
Sinking Fund Reserves	1,161,972 00	—
Miscellaneous Fund Reserves	683,453 83	601,835 79
Appropriated Surplus not Specifically Invested	2,834,320 57	—
<i>Total Appropriated Surplus</i>	\$ 12,890,868 59	\$ 8,506,261 56
Profit and Loss — Balance	D 8,222,375 98	D 7,734,352 38
<i>Total Corporate Surplus</i>	\$ 4,668,492 61	\$ 771,909 18
<i>Grand Total</i>	\$277,590,841 99	\$272,507,492 66

BONDS GUARANTEED

The St. Johnsbury and Lake Champlain R.R. Co. First Mortgage 5% Bonds due March 1, 1944	\$1,328,000 00
Concord & Claremont, N. H., R.R. First Mortgage 5% Bonds, due January 1, 1944	500,000 00
The Peterborough and Hillsborough R.R. First Mortgage 4½% Bonds due July 1, 1951, owned by Boston and Maine Railroad	100,000 00
	\$1,928,000 00

D Indicates Debit Balance.

* 1941 includes interest on Income Bonds covering period June 13 to Dec. 31, 1940 @ 4%, and period Jan. 1 to Dec. 31, 1941 @ 4½%.

† Represents interest accrued on Income Bonds @ 4% covering period June 13 to Dec. 31, 1940, but not paid.

INCOME ACCOUNT

	Year Ended Dec. 31, 1941	Increase or Decrease	Per cent
TRANSPORTATION REVENUE			
Freight	\$44,718,600 86	\$10,195,207 18	29.53
Passenger	8,225,208 04	1,153,193 09	16.31
Excess Baggage	9,708 22	2,566 91	35.94
Parlor and Chair Car	15,629 25	10,903 57	230.73
Mail	1,422,117 66	6,802 59	0.48
Express	751,151 20	D 83,102 52	9.96
Other Passenger Train	271,202 03	D 2,045 56	0.75
Milk	855,344 61	73,524 65	9.40
Switching	639,958 20	77,259 22	13.73
Water Transfers — Freight	6,842 62	D 3,497 29	33.82
<i>Total Transportation Revenue</i>	<i>\$56,915,762 69</i>	<i>\$11,430,811 84</i>	<i>25.13</i>
INCIDENTAL REVENUE			
Dining and Buffet	\$ 83,371 63	\$ 19,551 59	30.64
Station and Train Privileges	135,288 87	D 47,920 77	26.16
Parcel Room	17,137 10	2,554 66	17.52
Storage — Freight	57,077 83	D 2,875 79	4.80
Storage — Baggage	2,992 14	715 70	31.44
Demurrage	275,313 49	104,722 29	61.39
Telegraph and Telephone	18,313 17	2,170 00	13.44
Grain Elevator	70,576 18	7,138 07	11.25
Power	51,610 63	D 4,714 42	8.37
Rents of Buildings and Other Property	731,464 71	81,884 00	12.61
Miscellaneous	632,358 94	16,949 12	2.75
<i>Total Incidental Revenue</i>	<i>\$ 2,075,504 69</i>	<i>\$ 180,174 45</i>	<i>9.51</i>
Joint Facility — Cr.	\$ 215,160 34	D \$ 5,316 17	2.41
Joint Facility — Dr.	3,016 39	50 97	1.72
<i>Total Joint Facility Operating Revenue</i>	<i>\$ 212,143 95</i>	<i>D \$ 5,367 14</i>	<i>2.47</i>
<i>Total Operating Revenues</i>	<i>\$59,203,411 33</i>	<i>\$11,605,619 15</i>	<i>24.38</i>
OPERATING EXPENSES			
Maintenance of Way and Structures	\$ 7,347,927 73	\$ 1,545,343 11	26.63
Maintenance of Equipment	8,578,288 00	1,499,611 24	21.18
Traffic	803,763 67	31,618 31	4.09
Transportation	21,327,699 78	2,548,862 59	13.57
Miscellaneous Operations	136,833 98	33,319 27	32.19
General	2,105,530 01	374,589 43	21.64
Transportation for Investment — Cr.	2,570 87	D 6,136 54	70.47
<i>Total Operating Expenses</i>	<i>\$40,297,472 30</i>	<i>\$ 6,039,480 49</i>	<i>17.63</i>
<i>Operating Ratio</i>	<i>(68.07%)</i>	<i>D (3.90)</i>	
<i>Net Operating Revenue</i>	<i>\$18,905,939 03</i>	<i>\$ 5,566,138 66</i>	<i>41.73</i>
TAX ACCRUALS			
<i>Operating Income</i>	<i>\$13,867,908 31</i>	<i>\$ 4,189,161 97</i>	<i>43.28</i>
Rent from Locomotives	\$ 16,235 75	\$ 6,526 95	67.23
Rent from Passenger-Train Cars	324,449 39	26,862 32	9.03
Rent from Work Equipment	27,041 75	D 5,460 10	16.80
Joint Facility Rent Income	317,365 08	3,847 70	1.23
<i>Total Rent Income</i>	<i>\$ 685,091 97</i>	<i>\$ 31,776 87</i>	<i>4.86</i>

D Indicates decrease.

INCOME ACCOUNT — *Concluded*

	Year Ended Dec. 31, 1941	Increase or Decrease	Per cent
Hire of Freight Cars — Debit Balance	\$ 3,081,245 30	\$ 621,789 68	25.28
Rent for Locomotives	8,458 78	D 1,360 63	18.86
Rent for Passenger Train Cars	542,077 38	78,840 51	17.02
Rent for Floating Equipment	—	D 750 57	100.00
Rent for Work Equipment	13,451 36	404 39	3.10
Joint Facility Rents	415,169 86	D 35,340 43	7.84
<i>Total Rents Payable</i>	\$ 4,060,402 68	\$ 663,582 95	19.54
<i>Net Rents Payable</i>	\$ 3,375,310 71	\$ 631,806 08	23.03
<i>Net Railway Operating Income</i>	\$10,492,597 60	\$ 3,557,355 89	51.29
OTHER INCOME			
Income from Lease of Road and Equipment	\$ 318,380 00	\$ —	—
Miscellaneous Rent Income	291,736 67	D 7,104 97	2.38
Miscellaneous Nonoperating Physical Property	151,256 45	60,457 71	66.58
Separately Operated Properties — Profit	—	D 735 85	100.00
Dividend Income	113,888 96	37,332 22	48.76
Income from Funded Securities	322,369 66	190,436 01	144.34
Income from Unfunded Securities and Accounts	45,235 90	D 112,951 79	71.40
Income from Sinking and Other Reserve Funds	15,901 84	D 27,342 36	63.23
Release of Premiums on Funded Debt	1,244 83	D 326 15	20.76
Miscellaneous Income	61,991 16	22,019 19	55.09
<i>Total Other Income</i>	\$ 1,322,005 47	\$ 161,784 01	13.94
<i>Total Income</i>	\$11,814,603 07	\$ 3,719,139 90	45.94
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Miscellaneous Rents	\$ 6,609 30	D \$ 886 55	11.83
Miscellaneous Tax Accruals	24,997 76	1,120 06	4.69
Separately Operated Properties — Loss	—	D 8,385 47	100.00
Miscellaneous Income Charges	37,031 21	27,552 58	290.68
<i>Total Miscellaneous Deductions</i>	\$ 68,638 27	\$ 19,400 62	39.40
<i>Income Available for Fixed Charges</i>	\$11,745,964 80	\$ 3,699,739 28	45.98
FIXED CHARGES			
Rent for Leased Roads	\$ 1,327,916 21	\$ 82,910 24	6.66
Interest on Funded Debt — Fixed Interest	3,123,587 11	D 914,544 79	22.65
Interest on Unfunded Debt	114,216 67	D 373,719 31	76.59
Amortization of Discount on Funded Debt	38,804 74	D 28,248 53	42.13
<i>Total Fixed Charges</i>	\$14,604,524 73	D \$ 1,233,602 39	21.13
<i>Income After Fixed Charges</i>	\$ 7,141,440 07	\$ 4,933,341 67	223.42
CONTINGENT CHARGES			
Interest on Funded Debt — Contingent Interest	\$ 2,089,246 50	\$ 1,033,345 50	97.86
<i>Net Income</i>	\$ 5,052,193 57	\$ 3,899,996 17	338.48
DISPOSITION OF NET INCOME			
Income applied to Sinking and Other Reserve Funds	\$ 1,161,972 00	\$ 482,870 00	
Income Appropriated for Investment in Physical Property	995,511 04	—	
Miscellaneous Appropriations of Income	1,838,809 53	1,838,809 53	
<i>Total Appropriations of Income</i>	\$ 3,996,292 57	\$ 2,321,679 53	
<i>Balance Transferred to Profit & Loss</i>	\$ 1,055,901 00	\$ 1,578,316 64	

D Indicates decrease.

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES	Year Ended Dec. 31, 1941	Increase or Decrease
Superintendence.....	\$ 444,159 62	\$ 57,809 35
Roadway Maintenance.....	532,399 78	90,159 48
Tunnels and Subways.....	9,578 20	D 7,295 26
Bridges, Trestles and Culverts.....	341,899 96	164,192 39
Ties.....	619,761 92	110,539 70
Rails.....	207,045 77	18,956 29
Other Track Material.....	450,488 82	120,086 53
Ballast.....	66,274 63	28,069 82
Track Laying and Surfacing.....	1,992,554 71	577,044 47
Fences, Snowsheds and Signs.....	36,173 34	6,335 88
Station and Office Buildings.....	479,829 77	160,211 07
Station and Office Buildings — Depreciation.....	4,488 96	—
Roadway Buildings.....	20,883 17	3,924 59
Water Stations.....	48,394 46	11,241 96
Fuel Stations.....	45,718 53	18,942 03
Shops and Enginehouses.....	246,732 63	53,852 44
Grain Elevators.....	19,146 82	4,473 84
Storage Warehouses.....	182 18	D 341 18
Wharves and Docks.....	63,391 49	D 18,957 21
Coal and Ore Wharves.....	64,732 58	30,731 48
Telegraph and Telephone Lines.....	42,687 53	6,250 11
Signals and Interlockers.....	587,632 36	105,025 45
Power Plants.....	2,184 47	D 930 10
Power Transmission Systems.....	36,032 02	1,766 56
Miscellaneous Structures.....	619 47	283 98
Roadway Machines.....	118,805 52	25,783 63
Small Tools and Supplies.....	131,653 94	33,978 69
Removing Snow, Ice and Sand.....	339,307 66	D 140,795 79
Public Improvements — Maintenance.....	158,474 63	47,030 70
Injuries to Persons.....	68,275 78	24,880 77
Insurance.....	14,920 78	426 35
Stationery and Printing.....	6,989 24	1,573 36
Other Expenses.....	735 55	373 61
Maintaining Joint Tracks, Yards and Other Facilities — <i>Dr.</i>	222,514 58	18,738 26
Maintaining Joint Tracks, Yards and Other Facilities — <i>Cr.</i>	76,743 14	9,020 14
<i>Total Maintenance of Way and Structures.....</i>	<i>\$ 7,347,927 73</i>	<i>\$1,545,343 11</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(12.41%)</i>	<i>(.22%)</i>
MAINTENANCE OF EQUIPMENT		
Superintendence.....	\$ 339,360 46	\$ 20,288 14
Shop Machinery.....	229,252 87	43,772 92
Power-Plant Machinery.....	58,452 46	16,442 56
Steam Locomotives — Repairs.....	3,864,526 14	816,686 37
Other Locomotives — Repairs.....	129,063 89	8,724 91
Freight-Train Cars — Repairs.....	910,699 48	173,369 97
Passenger-Train Cars — Repairs.....	1,266,428 37	418,768 61
Floating Equipment — Repairs.....	164 34	D 535 27
Work Equipment — Repairs.....	208,384 07	20,678 88
Miscellaneous Equipment — Repairs.....	7,083 06	D 4,156 20
Equipment — Retirements.....	15,079 32	D 17,655 20
Equipment — Depreciation.....	1,424,275 62	D 18,572 01
Injuries to Persons.....	54,834 70	16,743 47
Insurance.....	7,436 82	1,077 81
Stationery and Printing.....	8,327 77	2,603 76
Other Expenses.....	3,473 27	778 10
Maintaining Joint Equipment at Terminals — <i>Dr.</i>	57,134 36	1,872 43
Maintaining Joint Equipment at Terminals — <i>Cr.</i>	5,689 00	1,278 01
<i>Total Maintenance of Equipment.....</i>	<i>\$ 8,578,288 00</i>	<i>\$1,499,611 24</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(14.49%)</i>	<i>D (.38%)</i>

D Indicates decrease.

OPERATING EXPENSES — *Continued*

TRAFFIC	Year Ended Dec. 31, 1941	Increase or Decrease
Superintendence.....	\$ 313,608 54	\$ 26,013 79
Outside Agencies.....	267,819 96	1,581 47
Advertising.....	138,697 93	D 9,303 59
Traffic Associations.....	31,728 84	D 2,434 06
Industrial and Immigration Bureaus.....	10,327 49	D 3,263 73
Insurance.....	20 11	D 324 96
Stationery and Printing.....	40,625 85	18,654 99
Other Expenses.....	934 95	694 40
<i>Total Traffic.....</i>	<i>\$ 803,763 67</i>	<i>\$ 31,618 31</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(1.36%)</i>	<i>D (.26%)</i>
TRANSPORTATION		
Superintendence.....	\$ 534,422 52	\$ 32,163 77
Dispatching Trains.....	208,885 26	8,958 16
Station Employees.....	3,324,648 77	435,549 16
Weighing, Inspection and Demurrage Bureaus.....	19,755 06	2,743 35
Coal and Ore Wharves.....	85,784 09	D 5,942 08
Station Supplies and Expenses.....	295,589 17	14,755 39
Yardmasters and Yard Clerks.....	521,104 86	67,280 47
Yard Conductors and Brakemen.....	1,209,204 72	216,478 69
Yard Switch and Signal Tenders.....	181,323 14	3,672 61
Yard Enginemen.....	543,084 99	106,124 12
Yard Motormen.....	205,043 32	27,686 78
Yard Switching Fuel.....	523,844 22	123,547 13
Water for Yard Locomotives.....	18,326 57	1,687 57
Lubricants for Yard Locomotives.....	15,875 66	579 11
Other Supplies for Yard Locomotives.....	10,804 90	1,167 70
Enginehouse Expenses — Yard.....	122,902 86	12,291 32
Yard Supplies and Expenses.....	51,933 87	5,160 88
Operating Joint Yards and Terminals — <i>Dr.</i>	1,200,981 54	89,509 96
Operating Joint Yards and Terminals — <i>Cr.</i>	212,229 25	10,788 00
Train Enginemen.....	2,137,757 74	242,133 89
Train Motormen.....	92,145 08	4,464 87
Train Fuel.....	3,582,701 17	611,803 25
Train Power Purchased.....	118,660 21	9,533 36
Water for Train Locomotives.....	150,197 99	17,761 44
Lubricants for Train Locomotives.....	96,333 17	12,075 67
Other Supplies for Train Locomotives.....	54,431 48	7,355 04
Enginehouse Expenses — Train.....	728,780 37	62,520 44
Trainmen.....	2,727,428 57	273,367 65
Train Supplies and Expenses.....	885,365 66	65,549 15
Signal and Interlocker Operation.....	463,990 22	27,728 37
Crossing Protection.....	715,669 82	15,204 99
Drawbridge Operation.....	24,057 27	460 77
Telegraph and Telephone Operation.....	43,881 82	1,510 94
Operating Floating Equipment.....	7,980 17	D 3,095 64
Stationery and Printing.....	100,191 78	21,778 27
Other Expenses.....	18,819 00	6,865 71
Operating Joint Tracks and Facilities — <i>Dr.</i>	40,644 03	D 51,582 51
Operating Joint Tracks and Facilities — <i>Cr.</i>	46,917 99	24 71
Insurance.....	4,569 05	D 356 97
Clearing Wrecks.....	27,859 02	5,456 31
Damage to Property.....	29,694 76	11,871 00
Damage to Live Stock on Right-of-Way.....	4,373 35	2,066 27
Loss and Damage — Freight.....	258,280 05	52,606 69
Loss and Damage — Baggage.....	1,349 81	90 45
Injuries to Persons.....	198,169 91	24,091 80
<i>Total Transportation.....</i>	<i>\$21,327,699 78</i>	<i>\$2,548,862 59</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(36.02%)</i>	<i>D (3.43%)</i>

D Indicates decrease.

OPERATING EXPENSES — *Concluded*

MISCELLANEOUS OPERATIONS	Year Ended Dec. 31, 1941	Increase or Decrease
Dining and Buffet Service.....	\$ 103,324 06	\$ 18,763 91
Grain Elevators.....	33,350 92	14,555 24
Other Miscellaneous Operations.....	159 00	12
<i>Total Miscellaneous Operations.....</i>	<i>\$ 136,833 98</i>	<i>\$ 33,319 27</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(.23%)</i>	<i>(.01%)</i>
GENERAL		
Salaries and Expenses of General Officers.....	\$ 157,434 93	D \$ 9,130 76
Salaries and Expenses of Clerks and Attendants.....	1,229,776 91	35,612 42
General Office Supplies and Expenses.....	121,934 51	18,652 54
Law Expenses.....	139,983 01	11,752 34
Insurance.....	436 27	D 33 22
Pensions.....	256,251 69	248,928 89
Stationery and Printing.....	89,184 65	55,385 63
Valuation Expenses.....	24,104 99	69 20
Other Expenses.....	73,308 58	12,634 43
General Joint Facilities — <i>Dr.</i>	13,114 47	717 96
<i>Total General.....</i>	<i>\$ 2,105,530 01</i>	<i>\$ 374,589 43</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(3.56%)</i>	<i>D (.08%)</i>
Transportation for Investment — <i>Cr.</i>	\$ 2,570 87	D \$ 6,136 54
<i>Total Operating Expenses.....</i>	<i>\$40,297,472 30</i>	<i>\$6,039,480 49</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(68.07%)</i>	<i>D (3.90%)</i>

D Indicates decrease.

PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1941

<i>Item</i>	<i>Dr.</i>	<i>Cr.</i>
Balance, December 31, 1940 (Debit).....	\$ 7,734,352 38	\$
Credit Balance from Income Account for Year 1941.....		1,055,901 00
Adjustment to Par of Boston and Maine R.R. Bonds Purchased.....		815,852 36
Cancellation of Insurance Reserve Account.....		687,819 86
Miscellaneous Credits.....		25,033 37
Loss on Retired Road and Equipment:		
Retirement of Road:		
Topsfield to Newburyport, Mass.....	345,660 12	
Creamery to Ware, Mass.....	338,247 22	
Whitefield Jct. to Lancaster, N. H.....	240,167 91	
Jewett, Me., to Somersworth, N. H.....	226,670 10	
Canal Jct. to Norwottuck, Mass.....	209,740 93	
Georgetown to Paper Mill, Mass.....	149,937 72	
Squannacook Jct. to Pepperell, Mass.....	136,453 27	
Hollis to Nashua, N. H.....	107,287 37	
Dover Point to Sawyers, N. H.....	84,617 11	
Other Retirements — Various.....	902,936 94	
Funded Debt Retired through Surplus.....	184,898 00	
Surplus Applied to Insurance Fund.....	75,830 29	
Miscellaneous Debits.....	70,183 21	
Balance, December 31, 1941 (Debit).....		8,222,375 98
	\$10,806,982 57	\$10,806,982 57

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1941

		Gross Expenditures	Property Retired and Sold	Net Capital Changes
Road	Title Account			
1	Engineering	\$ 23,343 48	\$ 111,455 75	\$ 88,112 27
2	Land for Transportation Purposes	1,498 05	242,147 29	240,649 24
3	Grading	28,060 81	422,464 03	394,403 22
5	Tunnels and Subways	81 82	200 00	118 18
6	Bridges, Trestles and Culverts	91,885 42	330,066 09	238,180 67
8	Ties	16,716 55	150,735 93	134,019 38
9	Rails	568,734 93	679,208 53	110,473 60
10	Other Track Material	480,224 99	407,383 35	72,841 64
11	Ballast	39,527 38	75,348 50	35,821 12
12	Track Laying and Surfacing	30,758 44	176,716 80	145,958 36
13	Fences, Snowsheds and Signs	132 59	35,472 00	35,339 41
15	Crossings and Signs	—	134,306 95	134,306 95
16	Station and Office Buildings	113,477 85	365,371 89	251,894 04
17	Roadway Buildings	516 83	12,118 42	11,601 59
18	Water Stations	6,938 99	19,833 68	12,894 69
19	Fuel Stations	6,551 59	37,020 49	30,468 90
20	Shops and Enginehouses	59,225 16	308,788 58	249,563 42
21	Grain Elevators	—	30,099 00	30,099 00
24	Coal and Ore Wharves	367 83	426 00	58 17
26	Telegraph and Telephone Lines	10,709 45	3,912 10	6,797 35
27	Signals and Interlockers	45,828 01	44,668 31	1,159 70
29	Power Plants	4 36	21,313 86	21,309 50
31	Power-Transmission Systems	1,055 26	8,654 36	7,599 10
37	Roadway Machines	32,173 07	824 02	31,349 05
38	Roadway Small Tools	25,888 09	103 00	25,785 09
39	Public Improvements-Construction	102,059 23	—	102,059 23
44	Shop Machinery	42,898 43	32,142 99	10,755 44
45	Power Plant Machinery	13,246 06	969 16	12,276 90
<i>Total Road</i>		<i>\$1,741,904 67</i>	<i>\$3,651,751 08</i>	<i>\$1,909,846 41</i>
Equipment				
51	Steam Locomotives	\$ 855,648 51	\$ 153,669 75	\$ 701,978 76
52	Other Locomotives	377,801 44	6,713 00	371,088 44
53	Freight-Train Cars	331,444 36	384,653 74	53,209 38
54	Passenger-Train Cars	46,938 93	394,071 90	347,132 97
57	Work Equipment	182,496 91	99,652 33	82,844 58
58	Miscellaneous Equipment	8,057 20	27,600 08	19,542 88
<i>Total Equipment</i>		<i>\$1,802,387 35</i>	<i>\$1,066,360 80</i>	<i>\$ 736,026 55</i>
General Expenditures				
76	Interest During Construction	—	\$ 6,349 33	\$ 6,349 33
<i>Totals</i>		<i>\$3,544,292 02</i>	<i>*\$4,724,461 21</i>	<i>\$1,180,169 19</i>

***DISPOSITION OF CREDITS TO CAPITAL ACCOUNT**

Account No.		
701	Investment in Road and Equipment — Equipment Converted	\$ 116,766 96
705	Miscellaneous Physical Property — Property transferred as Non-Carrier	2,558 69
708	Cash — Land, Buildings, Equipment, Rail and Track Fastenings Sold	743,304 59
716	Material and Supplies — Usable Material	537,187 98
776	Reserve for Accrued Depreciation — Equipment	833,666 57
727	Fire Account Suspense	7,384 97
531	Operating Expenses	310,480 46
619	Profit and Loss — Debits from Retired Road and Equipment	2,173,110 99
<i>Total Amount Credited to Investment in Road and Equipment</i>		<i>\$4,724,461 21</i>

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1941 — OWNED ROAD

CAPITAL STOCK	Amount Outstanding	Dividend Rate	Cumulative Dividends Unpaid Since Jan. 1, 1932—*Oct. 1, 1931	Amount in Hands of the Public	Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund**
Prior Preference	\$ 23,134,900 00	7 %	1\$ 70 00 per share \$16,056,460 00	\$ 22,937,800 00	\$197,100 00
Prior Preference Negotiable Receipts	3,600 00			3,600 00	
First Preferred, Class A	18,860,000 00	5 %	\$ 51 25 per share 9,652,476 25	18,834,100 00	25,900 00
" " B	7,648,800 00	8 %	\$ 82 00 " " 6,272,016 00	7,648,800 00	7,100 00
" " C	7,917,100 00	7 %	\$ 71 75 " " 5,674,564 00	7,910,000 00	3,100 00
" " D	4,327,000 00	10 %	\$ 102 50 " " 4,431,997 50	4,323,900 00	
" " E	65,000 00	4½ %	\$ 46 125 " " 29,981 25	65,000 00	
Preferred	3,149,800 00	6 %	Non-cumulative	3,149,800 00	32,300 00
Common	39,505,100 00			39,472,800 00	
	\$104,611,300 00			\$104,345,800 00	\$265,500 00
FUNDED DEBT					
	Amount Outstanding	Date of Maturity	Rate		
General Mortgage Series V	\$ 124,000 00	Mar. 1, 1942	5 %	\$ 124,000 00	
" " W	12,000 00	Apr. 1, 1942	5 %	12,000 00	
" " X	5,000 00	July 1, 1942	5 %	5,000 00	
" " Y	73,000 00	Aug. 1, 1942	4 %	73,000 00	
" " Z	48,000 00	Jan. 1, 1943	5 %	48,000 00	
" " Connecticut River	62,000 00	May 1, 1943	5 %	62,000 00	
" "	6,000 00	Sept. 1, 1943	4 %	6,000 00	
" "	185,000 00	Jan. 1, 1944	4½ %	179,000 00	\$ 6,000 00
" " Series AA	470,000 00	Apr. 1, 1944	5 %	470,000 00	
" " CC	29,000 00	Jan. 1, 1945	5 %	29,000 00	
" " DD	83,500 00	June 1, 1945	5 %	83,500 00	
" " EE	6,000 00	Jan. 1, 1946	5 %	6,000 00	
" " FF	52,000 00	Jan. 1, 1947	5 %	52,000 00	
" " GG	13,000 00	Apr. 1, 1947	5 %	13,000 00	
" "	25,000 00	July 1, 1950	3 %	10,000 00	15,000 00
" " II	1,237,000 00	May 1, 1955	5 %	1,237,000 00	
" " RR	67,789,500 00	July 1, 1960	4 %	67,124,300 00	665,200 00
" " JJ	902,000 00	Apr. 1, 1961	4¾ %	897,000 00	5,000 00
First General					

"	"	AC.....	3,065,000 00	Sept.	1, 1967	5 %	2,424,000 00	641,000 00
Income Mortgage	"	A.....	48,261,500 00	July	1, 1970	4½ %	46,942,500 00	1,319,000 00
<i>Total Mortgage Bonds</i>			\$122,448,500 00				\$119,797,300 00	\$2,651,200 00
Equipment Trust No. 4 Trust Certificates	"	5.....	\$ 250,000 00	Apr.	1, 1942-43	4½ %	\$ 250,000 00	
"	"	6.....	342,000 00	May	1, 1942-44	5 %	342,000 00	
"	"	7.....	1,396,000 00	June-Dec.	1, 1942-49	4 %	1,396,000 00	
			870,000 00	Dec.	1, 1942-44	3½ %	870,000 00	
<i>Total Equipment Trust Obligations</i>			\$ 2,858,000 00				\$ 2,858,000 00	
<i>Grand Total Funded Debt</i>			\$125,306,500 00				\$122,655,300 00	\$2,651,200 00

** No interest accrued except on bonds held in Insurance Fund.

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1941

Leased Roads

NAME OF ROAD AND DESCRIPTION

CAPITAL STOCK

	Amount Outstanding	Dividend Rate (Paid as rental)	Owened and held in Treasury or in Insurance Fund
Nashua and Lowell.....	\$ 800,000 00	9 %	\$ 215,700 00
Stony Brook.....	300,000 00	7 %	22,500 00
Wilton.....	240,000 00	*3 1/4 %	232,100 00
Peterborough.....	385,000 00	1 1/2 %	339,500 00
Concord and Portsmouth.....	350,000 00	3 1/4 %	216,400 00
Pemigewasset Valley.....	541,500 00	3 %	403,500 00
Northern.....	3,068,400 00	6 %	246,100 00
Vermont and Massachusetts.....	3,193,000 00	6 %	
Troy and Bennington.....	150,800 00	10 %	29,100 00
Connecticut and Passumpsic Rivers — Preferred.....	2,500,000 00	6 %	176,100 00
Massawippi Valley.....	800,000 00	6 %	
Vermont Valley.....	1,000,000 00	—	1,000,000 00
Sullivan County.....	500,000 00	—	
Franklin & Tilton.....	265,600 00	—	265,600 00
Peterborough and Hillsborough.....	45,000 00	—	
Newport & Richford.....	350,000 00	—	
Concord & Claremont, N. H.....	412,400 00	—	11,700 00
<i>Total Capital Stock.....</i>	<i>\$14,901,700 00</i>		<i>\$3,158,300 00</i>

FUNDED DEBT

	Bonds Outstanding	Date of Maturity	Rate	Owened and held in Treasury or in Insurance Fund
Newport & Richford.....First Mortgage	\$ 349,000 00	Jan. 1, 1966	4 %	\$349,000 00
Peterborough and Hillsborough.....First Mortgage	100,000 00	July 1, 1951	4 1/4 %	100,000 00
Peterborough and Hillsborough.....Second Mortgage	65,000 00	Apr. 30, 1887	No interest	
Connecticut and Passumpsic Rivers.....First Mortgage	1,900,000 00	Apr. 1, 1943	4 %	
Concord & Claremont, N. H.....First Mortgage	500,000 00	Jan. 1, 1944	5 %	119,000 00
Sullivan County.....First Mortgage	357,000 00	Apr. 1, 1944	6 %	
Vermont Valley.....First Mortgage	1,478,000 00	Oct. 1, 1955	4 %	
<i>Total Funded Debt.....</i>	<i>\$4,749,000 00</i>			<i>\$568,000 00</i>

MILES OF ROAD OPERATED, DECEMBER 31, 1941

STEAM ROADS	Owened	Leased	Total
Main Lines.....	806 71	243 79	1,050 50
Branch Lines.....	541 48	192 03	733 51
Trackage Rights.....		82 28	82 28
<i>Total Road Operated.....</i>	<i>1,348 19</i>	<i>518 10</i>	<i>1,866 29</i>
Second Track.....	440 50	(A) 130 03	570 53
Third Track.....	4 40	(B) 5 53	9 93
Other Tracks.....	954 01	185 94	1,139 95
<i>Total Track Operated.....</i>	<i>2,747 10</i>	<i>839 60</i>	<i>3,586 70</i>

* Annual rental \$8,844.00.

(A) Includes trackage rights, 15.00 miles.

(B) Includes trackage rights, .99 mile.

OPERATING STATISTICS

	Year Ended Dec. 31, 1941	Increase or Decrease
AVERAGE MILES OF ROAD OPERATED		
Freight service.....	1,890.48	1.07
Passenger service.....	1,464.14	20.46
<i>Total</i>	1,902.70	7.30
TRAIN MILEAGE		
Freight service (with locomotives).....	3,936,307	493,586
Passenger service (with locomotives).....	6,300,209	47,964
Passenger service (without locomotives).....	491,043	8,668
Work service.....	188,168	72,668
<i>Total train miles</i>	10,915,727	605,550
* LOCOMOTIVE MILEAGE		
Freight service.....	4,896,313	718,642
Passenger service.....	6,675,450	55,816
Train switching.....	363,510	38,760
Yard switching.....	2,358,114	395,028
Work service.....	236,312	72,716
<i>Total locomotive miles</i>	14,529,699	1,280,962
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded.....	146,695,895	28,945,162
Empty.....	65,439,835	8,398,671
Caboose.....	4,060,146	479,568
<i>Total freight-train car miles</i>	216,195,876	37,823,401
Passenger-Train Car Miles:		
Passenger coaches.....	15,373,292	1,245,498
Sleeping and parlor cars.....	3,900,583	92,035
Club, lounge, dining and observation cars.....	278,550	10,771
Business cars.....	18,437	436
Mail, express, and baggage cars, and combination cars other than passenger.....	15,048,226	197,585
Combination passenger cars (mail, express, or baggage with passenger).....	4,270,822	30,746
<i>Total passenger-train car miles</i>	38,889,910	1,576,199
<i>Total transportation service car miles</i>	255,085,786	39,399,600
AVERAGES		
Operating revenues per mile of road.....	\$31,115.47	\$6,195.16
Operating expenses per mile of road.....	21,179.10	3,242.98
Net railway operating income per mile of road.....	5,514.58	1,883.56
Operating revenues per train mile.....	\$ 5.52	\$.85
Operating expenses per train mile.....	3.76	.40
Net railway operating income per train mile.....	.98	.30
Total Freight cars per revenue train mile.....	53.89	3.12
Loaded Freight cars per revenue train mile.....	37.27	3.07
Empty Freight cars per revenue train mile.....	16.62	.05
Total Passenger cars per train mile.....	5.73	.20

* Includes 339,837 Electric locomotive miles, 6,138 Tractor locomotive miles and 715,347 Diesel locomotive miles.
Italics indicate decrease.



TRAFFIC STATISTICS

	Year Ended Dec. 31, 1941	Increase or Decrease
FREIGHT		
Freight Revenue	\$ 44,718,601	\$ 10,195,207
Tons of revenue freight carried	20,825,565	4,554,047
Tons of company freight carried	1,950,436	283,511
<i>Total tons of freight carried</i>	22,776,001	4,837,558
Tons of revenue freight carried one mile	3,137,840,298	755,604,764
Tons of company freight carried one mile	177,543,904	34,401,938
<i>Total tons of freight carried one mile</i>	3,315,384,202	790,006,702
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers	\$ 614,792.83	\$ 12,336.79
All other commutation ticket passengers	949,747.93	8,438.23
Single fare ticket passengers (not including interline)	4,072,443.97	607,171.87
Interline ticket passengers	2,588,223.31	542,122.66
<i>Total passenger revenue</i>	\$8,225,208.04	\$1,153,193.09
Number of Passengers Carried:		
Monthly commutation ticket passengers	2,921,153	1,064
All other commutation ticket passengers	5,801,151	56,268
Single fare ticket passengers (not including interline)	8,425,465	1,169,842
Interline ticket passengers	1,407,795	394,965
<i>Total number of passengers carried</i>	18,555,564	1,507,475
Number of Passengers carried one mile:		
Monthly commutation ticket passengers	67,472,396	1,196,675
All other commutation ticket passengers	53,987,510	438,111
Single fare ticket passengers (not including interline)	217,384,672	36,113,375
Interline ticket passengers	121,520,901	28,832,784
<i>Total number of passengers carried one mile</i>	460,365,479	65,704,723
Number of passengers to and from Boston, including monthly ticket passengers	16,484,046	972,578
AVERAGES		
Freight:		
Miles hauled — revenue freight	150.67	4.26
Tons of revenue freight per train mile	797.15	105.19
Tons of revenue freight per loaded car mile	21.39	1.16
Revenue per ton of freight	\$2.14729	\$.02558
Revenue per ton per mile (cents)	1.425	.024
Revenue per revenue train mile	\$11.361	\$1.333
Freight revenue per loaded car mile (cents)	30.484	1.165
Passenger:		
Average distance carried per passenger (miles)	24.81	1.66
Number of passengers per train mile	67.79	9.34
Number of passengers per car mile	19.55	1.75
Revenue per passenger (cents)	44.33	2.85
Revenue per passenger mile, monthly commutation ticket passengers (cents)	.911	.001
Revenue per passenger mile, other commutation ticket passengers (cents)	1.759	.002
Revenue per passenger mile, single-fare not including interline (cents)	1.873	.039
Revenue per passenger mile, interline passengers (cents)	2.130	.078
Revenue per passenger mile, all passengers (cents)	1.787	.005
Passenger revenue per passenger car mile (cents)	34.934	3.044
Total passenger service train revenue per train mile	\$1.701	\$.162

Italics indicate decrease.